



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 6, 2016

TO: Mayor and Councilmembers

FROM: Environmental Services Division, Finance Department

SUBJECT: Materials Delivery Commitment And Processing Services Agreement
With The County Of Santa Barbara For The Tajiguas Resource
Recovery Project

RECOMMENDATION: That Council:

- A. Consider the Final Subsequent Environmental Impact Report for the Tajiguas Resource Recovery Project and make the required CEQA findings for approval of the Tajiguas Resource Recovery Project Materials Delivery Commitment and Processing Services Agreement as specified in the Attachment; and
- B. Introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Authorizing the Approval and Execution by the City Administrator, or his or her designee, of the Tajiguas Resource Recovery Project Materials Delivery Commitment and Processing Services Agreement between the County of Santa Barbara and the City of Santa Barbara.

DISCUSSION:

Background

For several years, staff from the County and the Cities of Santa Barbara, Goleta, Buellton, and Solvang (Public Participants), have worked together to explore the development of a Resource Recovery Project (RRP) at the Tajiguas Landfill. On July 12, 2016, the County executed a Waste Services Contract with MSB Investors, LLC to design, build and operate an RRP consisting of the following components:

1. Materials Recovery Facility (MRF) – this facility would sort trash that is currently received at Tajiguas Landfill into three streams:

- Recyclables – that would be separated, baled, and sold for reuse,
 - Organics – that would be recovered for processing in the Anaerobic Digestion Facility; and,
 - Residual – non-recoverable materials left over from the MRF and Anaerobic Digestion Facility that would ultimately be landfilled
2. Anaerobic Digestion Facility (ADF) – this facility would convert organics recovered from the MSW into compostable material and biogas. The compost would be marketed as a soil amendment or used for reclamation projects. The biogas would be combusted to generate electricity.

Documents related to the Board of Supervisors action are available at: <http://bit.ly/2fQKo2X>. Information on the key terms of the Waste Services Contract that staff presented to Council in June of 2016 is available at: <http://bit.ly/2fYp8aN>.

Materials Delivery Commitment and Processing Services Agreement

Over the past several months, City staff have negotiated with County staff to develop a Materials Delivery Commitment and Processing Services Agreement (MDCPSA), through which the City would formally commit its solid waste to the RRP. The MDCPSA would underpin the County's debt financing obligation, compelling the City to guarantee a fixed revenue amount to the County each year. For this reason, the term of the MDCPSA would be 20 years, equal to the term of the bond financing.

At the November 22, 2016 Council meeting, staff presented key terms of the MDCPSA as well as information that it had shared with the Council-appointed RRP Ad Hoc Committee between July and November of 2016. The report is available at: <https://goo.gl/qlr3yQ>.

The ordinance to be introduced at today's meeting would authorize the City Administrator to execute the MDCPSA with the County. The Draft MDCPSA is available for public review in the City Clerk's Office. An additional copy was also placed in the Council reading file.

To fulfill its obligations under the California Environmental Quality Act, Council is also asked to make findings for approval of the MDCPSA as specified in the attachment to this Council Agenda Report on the Final Subsequent Environmental Impact Report for the RRP that the County Board of Supervisors certified on July 12, 2016.

BUDGET/FINANCIAL INFORMATION:

When operational, the RRP would result in a tipping fee of approximately \$118 per ton for each ton delivered to the facility. For comparison, the tipping fee to simply dispose of trash at Tajiguas Landfill without any additional sorting or recovery of recyclables is

currently \$87 per ton. It should be noted that at the end of each fiscal year, the City will receive a refund from the County of surplus funds generated for the purpose of demonstrating debt coverage related to the bonds. In years where the RRP generates revenues consistent with pro-forma, and in years of low capital expenses, then this surplus, estimated to represent approximately \$10 per ton, could be used to lower the gross tipping fee when setting City trash and recycling rates for the forthcoming fiscal year.

Based upon guidance from the County's bond counsel to demonstrate the financial capacity of the County to repay the bonds, the MDCPSA contemplates a "ramp up" of the RRP tipping fee in Fiscal Years 2018 and 2019. In FY 2018, the tipping fee on trash, commingled recycling, and foodscraps would increase to \$99 per ton. This artificial "ramp up" rate would be used to create a reserve fund that would allow the County to fulfill its financial obligations should recyclable commodity revenue not meet pro forma expectations. Monthly trash and recycling bills paid by City ratepayers would increase by approximately 10.6 percent as a result.

In FY 2019, when the RRP would be operational, the tipping fee would again increase from \$99 to approximately \$118. Monthly trash and recycling bills would increase an estimated additional eight percent. When setting customer rates in FY 2019, staff will provide information to Council on the estimated value of the debt coverage surplus to be expected at the end of FY 2019 as well as the amount of Solid Waste Fund reserves that Council may wish to use to defray a portion of the customer rate increases.

SUSTAINABILITY IMPACT:

The RRP would significantly increase the City's waste diversion rate and would strongly position the City to comply with all current and future State waste diversion mandates. This increase in South Coast diversion would approximately double the number of years before Tajiguas Landfill reaches its permitted capacity, thus meeting the State mandate to maintain at least 15 years of disposal capacity.

In addition, the project would generate renewable energy (equivalent to the demand of approximately 1,000 homes) and would reduce greenhouse gas emissions (equivalent to removing approximately 22,000 vehicles from the road annually) when compared to current landfill disposal, in direct support of the City's efforts to comply with various State mandates to reduce greenhouse gas emissions.

ATTACHMENT: CEQA Findings

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SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

**MATERIALS DELIVERY COMMITMENT AND PROCESSING SERVICES AGREEMENT BETWEEN THE
COUNTY OF SANTA BARBARA AND THE CITY OF SANTA BARBARA FOR THE TAJIGUAS
RESOURCE RECOVERY PROJECT**

**ENVIRONMENTAL REVIEW FINDINGS PURSUANT TO PUBLIC RESOURCES
CODE SECTION 21081 AND THE CALIFORNIA ENVIRONMENTAL QUALITY ACT
GUIDELINES SECTIONS 15090 AND 15091**

I. INTRODUCTION

Under agreement with the County of Santa Barbara, the City of Santa Barbara has long delivered solid waste for processing and disposal to the Class III Tajiguas Landfill located west of Santa Barbara and owned and operated by the County of Santa Barbara.

On July 12, 2016, the County of Santa Barbara Board of Supervisors approved provisions to design, build, and operate the Tajiguas Resource Recovery Project (TRRP), which will alter Tajiguas Landfill facilities and operations with the addition of a Materials Recovery Facility (MRF) and Dry Fermentation Anaerobic Digestion (AD) Facility to sort waste materials into recyclables, organics, and landfill residuals, and convert organics into compostable material and biogas. The TRRP has the objectives of reducing landfill dependence by diverting more recyclable materials from landfill disposal in a manner to extend the life of the Tajiguas Landfill, address State legislative requirements for increased recycling, locate project elements in proximity to existing solid waste facilities and accessible to communities served for effective functioning, provide for long-term financial stability and cost effectiveness for rate payers, reduce future greenhouse gas emissions associated with the transportation, processing, and disposal of solid waste, and provide renewable energy to the region.

The County of Santa Barbara was the Lead Agency for conducting and certifying environmental review of the TRRP under provisions of the California Environmental Quality Act (CEQA), Public Resources Code (PRC) Division 13 Section 21000 et seq., and the State CEQA Guidelines, California Code of Regulations (CCR) Title 14 Section 15000 et seq. Final CEQA environmental review documents for the TRRP include the Final Subsequent Environmental Impact Report (EIR) dated May 27, 2016 (12EIR-00000-00002) as modified by a Revision letter and Errata dated May 27, 2016, which evaluates environmental effects of the TRRP project and project alternatives; the Tajiguas Landfill Expansion Project EIR (01EIR-05) and November 8, 2008 Addendum; and the Tajiguas Landfill Reconfiguration and Baron Ranch Restoration Project Subsequent EIR (08EIR-0000-00007).

On July 12, 2016, the County of Santa Barbara Board of Supervisors considered final CEQA environmental review documents for the TRRP, finding that they reflect the independent judgment and analysis of the Board of Supervisors and are adequate for the TRRP project, and certifying the TRRP Final Subsequent EIR as modified by the Revision Letter and Errata dated

May 27, 2016 as having been completed in compliance with CEQA and constituting a complete, accurate, adequate, and good faith effort at full disclosure under CEQA. The TRRP Subsequent EIR process and extensive opportunities provided for public and agency involvement are documented as part of the Board of Supervisors July 12, 2016 findings.

The proposed Materials Delivery Commitment and Processing Services Agreement between the County of Santa Barbara and the City of Santa Barbara for the Tajiguas Resource Recovery Project is a component of the overall TRRP operations and financing for managing solid waste at the Tajiguas facilities, and would establish operational and financial parameters and commitments for delivery of solid waste from the City of Santa Barbara to the Tajiguas facilities for management and disposal. As such, the City of Santa Barbara is a Responsible Agency under CEQA with discretionary approval authority to approve and carry out a component of the TRRP for which the County of Santa Barbara as Lead Agency under CEQA has prepared an EIR.

PRC Section 21081 and CCR Section 15091 provides that no public agency shall approve or carry out a project for which an EIR has been certified which identifies one or more significant environmental effects of the project unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief rationale for each finding. CCR Sections limits Responsible Agency findings for mitigation measures where such mitigations are within the responsibility and jurisdiction of another public agency.

II. CEQA FINDINGS

FINDINGS PURSUANT TO PUBLIC RESOURCES CODE SECTION 21081 AND THE CALIFORNIA ENVIRONMENTAL QUALITY ACT GUIDELINES SECTION 15091:

The Council of the City of Santa Barbara makes the following findings:

A. Location of Record of Proceedings

The environmental review documents and other materials which constitute the record of proceedings for the TRRP environmental impact report process are in the custody of the CEQA Lead Agency at Santa Barbara County Public Works Department, Resource Recovery and Waste Management Division, 130 E. Victoria Street, Suite 100, Santa Barbara, CA 93101. The record of proceedings for the City of Santa Barbara process are in the custody of the City of Santa Barbara Community Development Department, 630 Garden Street, Santa Barbara, CA 93101

B. Findings that Certain Unavoidable Impacts are Mitigated to the Maximum Extent Feasible

Class I Impacts. The Final Subsequent EIR (12EIR-00000-00002) and Revision Letter and Errata dated May 27, 2016 for the Tajiguas Resource Recovery project identified two environmental impacts associated with extending the life of the Tajiguas Landfill which cannot be fully mitigated and are therefore considered unavoidable (Class I). Those impact areas are air quality and biology. To the

extent the impacts remain significant and unavoidable, such impacts are acceptable when weighed against the overriding social, economic, legal, technical, and other considerations set forth in the Statement of Overriding Considerations included herein. For each of these Class I impacts identified by the Final Subsequent EIR (12EIR-00000-00002), feasible changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect, as discussed below. The City Council finds that the mitigation measures applicable to the City action and applied to the project mitigate these impacts to the maximum extent feasible.

Impact TRRP AQ-11: Project-related extension of life of the Tajiguas Landfill would extend the duration of air pollutant emissions associated with landfill operations and associated NO_x, NO₂ and 24-hour PM₁₀ air quality impacts – Class I Impact (Final Subsequent EIR Volume 1 (Section 4.2, page 4.2-69).

Applicable Mitigation Measures

AQ-1 Mobile source emissions shall be reduced through implementation of the following:

- a. Engines shall be turned off when the idling period will exceed 10 minutes.
- b. All vehicles and equipment shall be regularly maintained.
- c. Heavy-duty diesel-powered equipment purchased for the project shall comply with federal and California diesel standards that are in force at the time of purchase.

Additional County Mitigation Measures

Additional air quality mitigation measures AQ-1 d-f (scrapers and transfer trucks), AQ-2 (tub grinders and scrapers), AQ-3 (dust control at landfill), and AQ-5 (landfill cover) pertain to operations for the Tajiguas facilities and Transfer Station and are within the responsibility and jurisdiction of the County of Santa Barbara and not the City of Santa Barbara. These measures were adopted by the Santa Barbara County Board of Supervisors as part of their approval of the TRRP.

Discussion: The project-related extension of the life of the landfill operations would extend the duration of time that significant and unavoidable NO_x, NO₂ and PM₁₀ air quality impacts as identified in the Final EIR (01-EIR-05, Section 3.11.3.3) for the Tajiguas Landfill Expansion Project would occur. NO_x impacts would continue to be reduced through maintenance, scheduling and upgrading of equipment, and using transfer trucks to efficiently transport

waste from transfer stations to the Tajiguas Landfill (01-EIR-05, pp. 3.11-29 - 30) In addition, the grinder operation would continue to be coordinated and scheduled with other mobile equipment working at the Tajiguas Landfill (01-EIR-05, p. 3.11-30) to reduce emissions. Final partial closure of portions of the landfill along with ongoing inspection of the landfill cover for cracks, and filling fissures and repairing the landfill cover material as needed will continue to control landfill gas emissions (01-EIR-05, p. 3.11-31). PM₁₀ impacts will continue to be controlled through implementation of dust control measures. In addition the reduced landfilling activity associated with the TRRP, would reduce mobile equipment emissions.

With implementation of the mitigation measures from 01-EIR-05 listed above, the EIR concluded that air quality impacts due to the extension of the landfill life would continue to be reduced to the maximum extent feasible, however the residual impact would be significant and unavoidable.

Impact TRRP BIO-16: Project-related extension of life of the Tajiguas Landfill would extend biological impacts further in time – Class I Impact (delay in the landfill cover revegetation and for continued abandonment and avoidance of foraging and breeding habitat by sensitive wildlife). This impact is described in the Final Subsequent EIR Volume 1 (Section 4.3, page 4.3-47). Mitigation measures were identified to reduce this impact to the extent feasible.

County Mitigation Measures

Mitigation measures BIO-7 (revegetation), BIO-9 (night lighting), and BIO-10 (fencing and litter) pertain to development and operations of Tajiguas facilities and are within the responsibility and jurisdiction of the County of Santa Barbara and not the City of Santa Barbara. These measures were adopted by the Santa Barbara County Board of Supervisors as part of their approval of the TRRP.

Discussion: The project-related increase in diversion of MSW would result in extending the active life of the landfill by approximately 10 years and delaying full closure and revegetation of the landfill. Although phased closure activities including restoration of areas to native habitat would occur during this time, landfill operational activities would continue to occur in areas analyzed in the prior Environmental Documents. No new disturbance or direct biological impacts (i.e., vegetation, habitat or sensitive plant species removal) would occur due to the potential extension of the landfill life and operations. However, indirect biological impacts associated with ongoing landfill operations (noise, dust, equipment operations and human activity) and the delayed revegetation would result in continued loss of habitat and abandonment or avoidance of foraging and breeding habitat by sensitive

birds and mammals that occur in the adjacent foothill habitats (01-EIR-05, page 3.4-42). The phased closure and resulting revegetation as part of the proposed project would reestablish limited wildlife values at the project site but the values would be reduced as compared to their predisturbance condition (01-EIR-05, page 3.4-28). On-site and off-site mitigation efforts aimed at replacing chaparral and coastal sage scrub habitats would not recreate wildlife habitat values to existing levels for many years, if at all. This impact would continue to be reduced through implementation of Mitigation Measure BIO-7, BIO-9 and BIO-10 from 01-EIR-05; however even with mitigation, the loss of these mature plant communities and the associated impacts to sensitive wildlife cannot be mitigated to their previous habitat values (01-EIR-05, page 3.4-42-43).

With implementation of the mitigation measures from 01-EIR-05 listed above, the EIR concluded that biological resource impacts due to the extension of the landfill life would be reduced to the maximum extent feasible, however the residual impact would be significant and unavoidable.

Class II Impacts. The Final Subsequent EIR (12EIR-00000-00002) and Revision Letter and Errata dated May 27, 2016 identified several subject areas for which the project is considered to cause or contribute to significant, but mitigable environmental impacts (Class II). For each of these Class II impacts identified by the Final Subsequent EIR (12EIR-00000-00002), feasible changes or alterations have been required in, or incorporated into, the project which avoid or reduce the environmental impact to a less than significant level as discussed below:

1. Visual Resources/Aesthetics

The Final Subsequent EIR Volume 1 identified two potentially significant impacts to visual resources/aesthetics that would result from implementation of the project:

- Impact TRRP VIS-2: Project implementation would significantly alter the visual setting as seen from U.S. Highway 101, (View 6), an eligible scenic highway – Class II Impact; and
- Impact TRRP VIS-CUM-1: Project implementation, combined with other related cumulative projects, could degrade the visual character/quality of scenic vistas from U.S. Highway 101 along the Gaviota Coast – Class I Cumulative Impact; Project Contribution – Not Considerable with Mitigation (Class II).

These impacts are discussed in the Final Subsequent EIR (Sections 4.1.2.4 and 4.1.2.7, pages 4.1-12 to -13, 4.1-18). The EIR concludes that identified mitigation measures would reduce these impacts to a less than significant level.

County Mitigation Measures

Mitigation measures TRRP VIS-1a (building color) and TRRP VIS-1b (landscape screening) pertain to development and operations of Tajiguas facilities and are within the responsibility and jurisdiction of the County of Santa Barbara and not the City of Santa Barbara. These measures were adopted by the Santa Barbara County Board of Supervisors as part of their approval of the TRRP.

2. Biological Resources

The Final Subsequent EIR Volume 1 identified 12 potentially significant impacts to biological resources that would result from implementation of the project:

- Impact TRRP BIO-2: Construction activities may adversely affect sensitive vegetation located adjacent to the direct impact area – Class II Impact;
- Impact TRRP BIO-4: Construction activity may significantly affect nesting migratory birds and/or raptors – Class II Impact;
- Impact TRRP BIO-8: Project-related habitat loss could adversely affect American Badger and Ringtail – Class II Impact;
- Impact TRRP BIO-9: Project-related habitat loss could significantly impact the San Diego desert woodrat – Class II;
- Impact TRRP BIO-10: Project-related removal of trees and rock outcrops may eliminate and/or disturb habitat for sensitive bat species – Class II Impact;
- Impact TRRP BIO-12: Operation of the proposed project may significantly impact transient California red-legged frogs – Class II Impact;
- Impact TRRP BIO-13: Operation of the proposed project may significantly impact ringtail, San Diego desert woodrat and American badger – Class II Impact;
- Impact TRRP BIO-CUM-1: Implementation of the project combined with other cumulative projects could result in significant impacts to transient California red-legged frogs – Class I Cumulative Impact; Project Contribution – Not Considerable with Mitigation (Class II);

- Impact TRRP BIO-CUM-2: Implementation of the project combined with other cumulative projects could result in significant direct and indirect cumulative loss of native plant communities, sensitive habitats and sensitive plants – Class II Cumulative Impact; Project Contribution – Not Considerable with Mitigation (Class II);
- Impact TRRP BIO-CUM-4: Implementation of the project combined with other cumulative projects could result in a significant impacts to American badger and ringtail – Class II Cumulative Impact; Project Contribution – Not Considerable with Mitigation (Class II);
- Impact TRRP BIO-CUM-5: Implementation of the project combined with other cumulative projects could result in a permanent loss and significant degradation of San Diego desert woodrat habitat – Class II Cumulative Impact; Project Contribution – Not Considerable with Mitigation (Class II); and
- Impact TRRP BIO-CUM-6: Implementation of the project combined with other cumulative projects could result in a significant loss and/or disturbance of roosting habitat for sensitive bat species – Class II Cumulative Impact; Project Contribution – Not Considerable with Mitigation (Class II).

These impacts are discussed in the Final Subsequent EIR (Sections 4.3.2.4 – 4.3.2.6, pages 4.3-33 to 4.3-53). The EIR concludes that identified mitigation measures would reduce such impacts to a less than significant level.

County Mitigation Measures

Mitigation measures TRRP BIO-1 (construction management of vegetation), TRRP BIO-2 (breeding bird protection), TRRP BIO-3 (american badger and ringtail surveys), TRRP BIO-4 (desert woodrat relocation), TRRP BIO-5 (bat colony avoidance), TRRP BIO-6 (sensitive amphibian and mammal protections) pertain to development and operations of Tajiguas facilities and are within the responsibility and jurisdiction of the County of Santa Barbara and not the City of Santa Barbara. These measures were adopted by the Santa Barbara County Board of Supervisors as part of their approval of the TRRP.

3. Hazards & Hazardous Materials

The Final Subsequent EIR Volume 1 (Sections 4.4.2.4 - 4.4.2.6, pages 4.4-13 to 4.4-22) identified five potentially significant impacts related to hazards

and hazardous materials that would result from implementation of the project:

- Impact TRRP HAZ-5: Hazardous materials may be encountered during construction and released to the environment – Class II Impact;
- Impact TRRP HAZ-7: The project would increase site structural development, introduce new fuel sources, new ignition sources and increase the number of personnel at the landfill site in a high fire hazard area, which could significantly increase fire risk – Class II Impact;
- Impact TRRP HAZ-8: Project-related extension of the life of the Tajiguas Landfill would extend landfill-related hazards (e.g., storage and use of hazardous materials, subsurface landfill fire, risk of fire due to petroleum product storage and unauthorized dumping) further in time – Class II Impact;
- Impact TRRP HAZ-CUM-1: Hazardous materials use, storage and disposal associated with the project combined with the cumulative projects would contribute to potentially significant hazards – Class II Cumulative Impact; Project Contribution - Not Considerable with Mitigation (Class II); and
- Impact TRRP HAZ-CUM-2: The project combined with the cumulative projects could contribute to a significant increase in fire hazard in the region – Class II Cumulative Impact; Project Contribution - Not Considerable with Mitigation (Class II).

The EIR concludes that identified mitigation measures would reduce such impacts to less than significant levels:

County Mitigation Measures

Mitigation measures TRRP HAZ-1 (contaminated soil remediation), TRRP HAZ-2 (fire protection), and HS-1, HS-2, HS-3 (continued hazard and security measures, cumulative hazardous materials and fire) pertain to development and operations of Tajiguas facilities and are within the responsibility and jurisdiction of the County of Santa Barbara and not the City of Santa Barbara. These measures were adopted by the Santa Barbara County Board of Supervisors as part of their approval of the TRRP.

4. Geologic Processes

The Final Subsequent EIR Volume 1 (Sections 4.5.2.4 - 4.5.2.6, pages 4.5-10 to 4.5-20) identified four potentially significant impacts related to geologic processes that would result from implementation of the project:

- Impact TRRP G-1: Earthwork associated with project construction and application of reclaimed water on graded slopes may result in unstable slopes that may generate landslides – Class II Impact;
- Impact TRRP G-6: The use of expansive soils for fill may result in significant damage to the MRF, AD Facility and maintenance building – Class II Impact;
- Impact TRRP G-7: Differential settlement, associated with previously buried MSW and as a result of the differing soil types across the proposed building area, could significantly impact the MRF and AD Facility structures – Class II Impact; and
- Impact TRRP G-8: Settlement associated with existing and planned MSW disposal in the Tajiguas Landfill top deck area could significantly impact the operation of the composting area – Class II.

The EIR concludes that identified mitigation measures would reduce such impacts to less than significant levels:

County Mitigation Measures

Mitigation measures TRRP G-1 (slope stability control), TRRP G-2 (expansive soils), TRRP G-3 and G-4 (differential settlement controls) pertain to development and operations of Tajiguas facilities and are within the responsibility and jurisdiction of the County of Santa Barbara and not the City of Santa Barbara. These measures were adopted by the Santa Barbara County Board of Supervisors as part of their approval of the TRRP.

5. Cultural Resources

The Final Subsequent EIR Volume 1 (Sections 4.6.2.4 - 4.6.2.7, pages 4.6-10 to 4.6-13) identified three potentially significant cultural resources impacts that would result from implementation of the project:

- Impact TRRP CR-1: Ground disturbance associated with implementation of the proposed project may result in damage to unknown archeological resources at the landfill site – Class II Impact;
- Impact TRRP CR-2: Project-related extension of the life of the Tajiguas Landfill would extend indirect impacts to archeological sites further in time – Class II Impact; and
- Impact TRRP CR-CUM-1: Ground disturbance associated with the proposed project combined with disturbance associated with the cumulative projects could result in significant disturbance of unreported

cultural resources – Class II Cumulative Impact; Project Contribution – Not Considerable with Mitigation (Class II).

The EIR concludes that identified mitigation measures would reduce such impacts to less than significant levels.

County Mitigation Measures

Mitigation measures TRRP CR-1 (discovered resources procedures), and CR-1, CR-2, CR-3 (continued cultural resources procedures) pertain to development and operations of Tajiguas facilities and are within the responsibility and jurisdiction of the County of Santa Barbara and not the City of Santa Barbara. These measures were adopted by the Santa Barbara County Board of Supervisors as part of their approval of the TRRP.

6. Land Use

The Final Subsequent EIR Volume 1 (Section 4.8.2.4, pages 4.8-9 to 4.8-11) identified one potentially significant land use impact that would result from implementation of the project:

- Impact TRRP LU-1: The project could result in land use conflicts with adjacent and nearby residential, agricultural and recreational uses – Class II Impact.

The EIR concludes that identified mitigation measures would reduce this impact to a less than significant level.

County Mitigation Measure

Mitigation measures TRRP VIS-1a, 1b (visual), TRRP BIO-1, -2, -3, -4, -5, -6 (biological resources) and HAZ-1 (hazards) pertain to development and operations of Tajiguas facilities and are within the responsibility and jurisdiction of the County of Santa Barbara and not the City of Santa Barbara. These measures were adopted by the Santa Barbara County Board of Supervisors as part of their approval of the TRRP.

7. Water Resources

The Final Subsequent EIR Volume 1 (Sections 4.10.2.4 - 4.10.2.7, pages 4.10-28 to 4.10-44) identified five potentially significant water resources impacts that would result from implementation of the project:

- Impact TRRP WR-6: Construction and operation of proposed Well no. 6 may enable landfill gas migration into groundwater which could significantly degrade groundwater quality – Class II Impact;

- Impact TRRP WR-7: Storm run-off from proposed facility sites during the construction period may significantly degrade surface water quality - Class II impact;
- Impact TRRP WR-8: Operation of the proposed project may significantly impact surface water quality through discharge of contaminated storm water, inadvertent discharge of AD Facility percolate, wastewater disposal, and leaks or spills from fueling activities - Class II Impact;
- Impact TRRP WR-9: Run-off from the composting area could significantly impact surface water quality - Class II Impact; and
- Impact TRRP WR-CUM-3: Project-related construction activities and post-construction use of the proposed project combined with other cumulative projects may result in significant surface water quality impacts in the Pila Creek watershed – Class II Cumulative Impact; Project Contribution – Not Considerable with Mitigation (Class II).

The EIR concludes that identified mitigation measures would reduce such impacts to less than significant levels:

County Mitigation Measure

Mitigation measures TRRP WR-1 (well construction standards), TRRP WR-2 (construction storm water quality BMPs), WR-3 (industrial storm water permit compliance and spill prevention), WR-4 (water quality monitoring and corrective action plan) pertain to development and operations of Tajiguas facilities and are within the responsibility and jurisdiction of the County of Santa Barbara and not the City of Santa Barbara. These measures were adopted by the Santa Barbara County Board of Supervisors as part of their approval of the TRRP.

8. Public Health/Nuisance

The Final Subsequent EIR Volume 1 (Section 4.11.2.6, page 4.11-7) identified one potentially significant public health/nuisance impact that would result from implementation of the project:

Impact TRRP NUI-4: Project-related extension of life of the Tajiguas Landfill would extend significant public health/nuisance impacts (potential for illegal dumping and dust) further in time – Class II Impact. The EIR concludes that the identified mitigation measures would reduce this impact to a less than significant level.

County Mitigation Measure

Mitigation measures to continue nuisance controls currently in place, AQ-3 (air quality controls), NUI-3 (nuisance control)s and HS-1 (hazards/security) pertain to development and operations of Tajiguas facilities and are within the responsibility and jurisdiction of the County of Santa Barbara and not the City of Santa Barbara. These measures were adopted by the Santa Barbara County Board of Supervisors as part of their approval of the TRRP.

C. Findings that Identified Project Alternatives are not Feasible

The Final Subsequent EIR (12EIR-00000-00002) Revision Letter and Errata dated May 27, 2016, prepared for the project evaluated seven alternatives in detail including a no project alternative, two urban area MRF alternatives, an off-site aerobic composting alternative, a landfill expansion alternative and two waste export alternatives as methods of reducing or eliminating potentially significant environmental impacts. Nine other alternative locations for the MRF or AD Facility (Subsequent EIR Volume 2 Appendix Q) were initially identified, but not carried forward for detailed review because the sites were not determined to be a feasible location of the MRF or AD Facility and/or were not expected to reduce environmental impacts as compared to the proposed location of the facilities at the Tajiguas Landfill. The Board of Supervisors made findings that each of the alternatives was either infeasible or would not substantively reduce potentially significant impacts.

III. STATEMENT OF OVERRIDING CONSIDERATIONS

A. Project Impacts

As summarized in Section III.A of these findings and as disclosed in the Final Subsequent EIR (12EIR-00000-00002) for the Tajiguas Resource Recovery Project, two environmental impacts would result from implementation of the project which cannot be fully mitigated and are therefore considered significant and unavoidable. These two impacts are:

1. Extension of Air Pollutant Emissions associated with Landfill Operations (Impact TRRP AQ-11); and
2. Extension of Biological Impacts associated with Landfill Operations (Impact TRRP BIO-16).

B. Overriding Considerations

Tajiguas Resource Recovery Project

The Final EIR (12EIR-00000-00002) and Revision Letter and Errata dated May 27, 2016 for the Tajiguas Resource Recovery Project identifies project extension of life impacts to air quality and biological resources (see Section I.B above) as

environmental effects which would be reduced to the extent feasible but would remain significant and unavoidable. The City Council therefore makes the following Statement of Overriding Considerations which warrants approval of the current project activities notwithstanding that the two Class I impacts identified in Section I.B are not fully mitigated.

With respect to the two Class I impacts identified in Section I.B, each of the environmental effects of the project listed above, the City Council finds that the stated overriding benefits of the project outweigh the significant effects on the environment and that there is no feasible way to lessen or avoid the significant effects. Pursuant to Public Resources Code Section 21081(b) and CEQA Guidelines Sections 15043, 15092 and 15093, remaining significant effects on the environment are considered acceptable due to the following economic, public health, and region-wide and statewide environmental benefits which the City Council has determined outweigh the unavoidable adverse effects of the project.

:

1. Provides a Long-Term (20-year) Waste Management Plan

The Resource Recovery Project's waste processing activity is anticipated to result in the recovery and beneficial reuse of 60 percent or more (by weight) of the waste stream by diverting such amount from disposal at the landfill which would extend the life of the Tajiguas landfill (based on permitted capacity) by ~10 years (to ~2036), thereby providing over 20 years of disposal capacity.

2. Provides a Cost-effective Solution to Waste Management

Based on analysis by County RRWMD staff, projected rates for the construction and operation of the facility are anticipated to be comparable to projected costs to export waste to other landfills not located in the South Coast area and less than costs to export waste and comply with new solid waste management regulations related to the processing of organics.

3. Supports the Region's Recycling Goals

As discussed in the Final Subsequent EIR, Section 4.8.2.5, the project would be consistent with the County of Santa Barbara and the Cities of Santa Barbara, Goleta, Solvang and Buellton General Plan goals regarding waste management and recycling by providing the infrastructure necessary to support existing and future waste diversion/management programs, including recyclable materials and organic waste.

4. Assists the Region in Meeting CalRecycle's 15-year Disposal Capacity Requirement

The California Public Resources Code Div. 30, Part 2, Chap. 4, Sec. 41701 and 41703, as administered and enforced by CalRecycle, requires all jurisdictions in the State to plan for 15 years of disposal capacity for waste “that cannot be reduced, recycled or composted.” The proposed Resource Recovery Project not only provides the jurisdictions currently served by the Tajiguas Landfill with a 20-year plan for the safe handling and disposal of its solid waste, but also expands the amount of materials that are recycled and composted through the proposed MRF and AD Facility to achieve a total projected diversion rate above 80 percent. Assuming the project is operational in 2017, the region would have enough disposal capacity until at least 2036 at current disposal rates (see Benefit 1).

5. Provides the infrastructure necessary to meet/increase the Region’s Landfill Diversion Rate

Signed into law by Governor Brown on October 5th, 2011, AB 341 amends sections of the Public Resources Code relating to solid waste and sets a goal for the state to recycle 75 percent of waste by 2020. The bill specifically calls out composting of organics currently disposed of in landfills as a method of achieving this goal. The proposed project would allow the County to continue to meet/exceed the AB 341 goal of 75 percent diversion by 2020 without any changes to current programs.

6. Reduce Greenhouse Gas Emissions

Assembly Bill (AB) 32, the California Global Warming Solutions Act of 2006, an act which added Division 25.5 (commencing with Section 38500) to the California Health and Safety Code, set a goal of the reduction of all greenhouse gases (GHGs) generated in the State to 1990 levels by the year 2020. The California Air Resources Board (CARB) has adopted a Scoping Plan detailing the various state-wide GHG reduction actions that will be required to achieve this unfunded State mandate. CARB approved the Scoping Plan on December 12, 2008. In August 2011, the Scoping Plan was re-approved by CARB.

AB 32’s “Scoping Plan” as well as the CARB-adopted plan of January 2009, includes increased recycling and landfill methane capture as key components of achieving this significant reduction in GHGs. More recently, guidelines and recommendations were completed in March 2014 for the Waste Management Sector element of the 2013 Scoping Plan Update that identified the need to divert an additional 22,000,000 tons of material from landfills in order to achieve the necessary GHG reductions. The report indicates that in order to meet these GHG emission and waste reduction goals, “we must

maximize recycling and diversion from landfills and build the necessary infrastructure to support a sustainable, low-carbon waste management system within California". A Working Paper specifically for Composting and Anaerobic Digestion was completed as an attachment to the Update further supporting the need to expand the state's ability to compost organics and generate renewable energy through anaerobic digestion.

In compliance with AB 32, the proposed project would reduce greenhouse gas emissions and create green energy through increased recycling and through the increased removal of organics from landfill disposal and anaerobic digestion of the organics. Through the diversion of organics from the landfill, the proposed project would reduce greenhouse gas emissions by 1,042,000 MT CO₂e over the period of 2015 through 2066 (20,030 MT CO₂e reduction annually or equivalent to 4,217 vehicles/year). In addition, the benefits of recycling materials recovered at the proposed MRF would reduce greenhouse gas emissions by 67,675 MT CO₂e (equivalent to approximately 13,270 vehicles/year) over the life-cycle of waste diverted. Therefore, the proposed project represents the most significant greenhouse gas emission reduction project in Santa Barbara County.

7. Produce Green Energy

The project would generate a net of approximately 1 megawatt of renewable electrical energy and is eligible for renewable energy credits.

8. Protect Public Health and Safety

The proposed project allows the County to continue to protect the public health and environment of our community by efficiently managing the community's waste products.

9. Provide Economic Benefits

The project would generate economic development approximately 70 construction jobs and 66 permanent jobs (86 with the CSSR) related to operations of the facilities.

C. Summary

In summary, the project would allow the County to: 1) continue to provide safe, cost effective and environmentally sound waste disposal capabilities; 2) improve recycling and materials recovery, extend the life of the landfill (thereby avoiding/postponing impacts and capital costs associated with a new or expanded landfill or costs and impacts of sending waste to more distant landfills), 3) reduce greenhouse gas emissions and; 3) produce green energy.

However, by the increased diversion of recyclable materials and organics, implementation of the proposed project would extend the operating life of the landfill and delay final landfill closure, thereby extending existing significant and unavoidable air quality and biological resources impacts by approximately 10 years. These impacts were identified as significant and unavoidable when the Tajiguas Landfill Expansion Project was approved in 2002 and as noted above a Statement of Overriding Considerations was made at that time.

The City Council finds that the proposed project mitigates environmental effects to the maximum extent feasible when weighed against legal, technical, social, and economic mandates relative to the protection of public health and safety and the environment through the provision of cost effective and environmentally sound community solid waste management and disposal services. The City Council therefore finds that the extension of the unavoidable significant effects associated with extending the life of the Tajiguas Landfill are acceptable.

IV. ENVIRONMENTAL REPORTING AND MONITORING PROGRAM

Public Resources Code §21081.6 requires the Lead Agency to adopt a reporting or monitoring program for measures it has adopted or made a condition of approval to mitigate or avoid significant effects on the environment. Applicable mitigation measures for the current City activity have been made a part of the current project. As a part of the approval of the TRRP, the Board of Supervisors adopted the Mitigation Monitoring and Reporting Program for the TRRP.